

**SIXTH SUPPLEMENTAL INDENTURE**

dated as of December 1, 2018

Supplementing and amending that certain

**INDENTURE**

dated as of January 1, 2009, as supplemented and amended,

by and between

**PUBLIC FACILITIES FINANCING AUTHORITY  
OF THE CITY OF SAN DIEGO**

and

**U.S. BANK NATIONAL ASSOCIATION,  
as Trustee**

relating to

**\$243,180,000**

**Public Facilities Financing Authority of the City of San Diego  
Subordinated Water Revenue Bonds, Series 2018A  
(Payable Solely from Subordinated Installment Payments  
Secured by Net System Revenues of the Water Utility Fund)**

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## SIXTH SUPPLEMENTAL INDENTURE

THIS SIXTH SUPPLEMENTAL INDENTURE (this “**Sixth Supplement**”), is made and entered into as of December 1, 2018 , by and between the PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO, a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “**Authority**”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized under the laws of the United States of America, as successor trustee (the “**Trustee**”), under that certain Indenture, dated as of January 1, 2009 (the “**Original Indenture**”), as supplemented and amended by the First Supplemental Indenture, dated as of June 1, 2009 (the “**First Supplement**”), the Second Supplemental Indenture, dated as of June 1, 2010 (the “**Second Supplement**”), the Third Supplemental Indenture, dated as of April 1, 2012 (the “**Third Supplement**”), the Fourth Supplemental Indenture, dated as of June 1, 2016 (the “**Fourth Supplement**”), and the Fifth Supplemental Indenture, dated as of January 1, 2017 (the “**Fifth Supplement**”), each by and between the Authority and the Trustee (the Original Indenture, as supplemented and amended by the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement and this Sixth Supplement, the “**Indenture**”);

### WITNESSETH:

**WHEREAS**, the Original Indenture provides that the Authority may issue Additional Bonds (as defined in the Original Indenture) in order to assist The City of San Diego, a municipal corporation and a charter city duly organized and existing under its Charter and the Constitution of the State of California (the “**City**”), in the financing and refinancing of improvements to the Water System (as defined in the Original Indenture); and

**WHEREAS**, in order to effect the acquisition, construction and installation of improvements to the water system of the City (the “**Water System**”), the San Diego Facilities and Equipment Leasing Corporation (the “**Corporation**”) sold components of the City’s water system improvement project to the City pursuant to the Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, as amended and supplemented by the First Amendment to Amended and Restated Master Installment Purchase Agreement dated as of November 14, 2018, the 2009A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, the 2009B Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2009, the 2010A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2010, the 2012A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of April 1, 2012, the 2016 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2016, the 2017 Commercial Paper Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2017, each by and between the City and the Corporation, and as supplemented by the Collateral Agency, Account and Assignment Agreement, dated as of November 14, 2018, by and among the City, the Corporation, the Authority, the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency, and U.S. Bank National Association as collateral agent under the Collateral Agency Agreement and as Trustee under the Indenture (collectively, the “**Agreement**”), pursuant to which the Corporation has agreed to sell certain improvements and additions (comprised of various components, each, a “**Component**”) to the water system of the City (the “**Water System**”) and the City has agreed from time to time to purchase certain Components as specified in certain supplements to the Agreement; and

**WHEREAS**, the City has now requested the assistance of the Authority in the financing of additional components of the Water System, including paying the Commercial Paper Notes as defined in the Agreement (the “**2018 Components**”); and

**WHEREAS**, the Authority has agreed to provide assistance to the City by financing the 2018 Components; and

**WHEREAS**, to provide funds to finance the 2018 Components, the Authority desires to issue its Subordinated Water Revenue Bonds, Series 2018A (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund) (the “**2018 Bonds**”), in the aggregate principal amount of \$243,180,000; and

**WHEREAS**, the 2018 Bonds will be secured by the 2018 Subordinated Installment Payments (as defined in this Sixth Supplement) to be made by the City pursuant to that certain 2018 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of December 1, 2018 (the “**2018 Supplement**”), by and between the City and the Corporation, which 2018 Subordinated Installment Payments constitute Subordinated Obligations; and

**WHEREAS**, in order to establish and declare the terms and conditions upon which the 2018 Bonds are to be issued and secured, to provide for the payment of the principal thereof and the premium (if any) and interest thereon, and to provide for the herein described amendments, the Authority and the Trustee desire to enter into this Sixth Supplement; and

**WHEREAS**, all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and delivery of this Sixth Supplement do exist, have happened, and have been performed in a regular and due time, form, and manner as required by law and the Original Indenture, the parties hereto are now duly authorized to execute and enter into this Sixth Supplement.

**NOW, THEREFORE**, in consideration of the covenants and provisions herein set forth and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

**Section 1. Definitions.** Unless the context clearly otherwise requires, all capitalized terms used in this Sixth Supplement shall have the meanings assigned to such terms in the Recitals hereof or in the Original Indenture, the First Supplement, the Second Supplement or the Third Supplement, as applicable.

(A) **The definitions of the following terms in the Original Indenture, the First Supplement, the Second Supplement and the Third Supplement, as applicable, shall be modified to read as follows:**

**Agreement**

The term “Agreement” means the Master Installment Purchase Agreement, dated as of August 1, 2002, as amended and supplemented by the First Amendment to Amended and Restated Master Installment Purchase Agreement dated as of November 14, 2018, a 2002 Supplement to Master Installment Purchase Agreement, dated as of August 1, 2002, a 2002 Supplement to Master Installment Purchase Agreement, dated as of October 1, 2002, an Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, a 2009A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, a 2009B Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2009, a 2010A Supplement to Amended and Restated Master Installment Sale Agreement, dated as of June 1, 2010, a 2012A Supplement to Amended and Restated Master Installment Sale Agreement, dated as of April 1, 2012, a 2016 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1,

2016, a 2017 Commercial Paper Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2017, and the 2018 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of December 1, 2018, each by and between the City and the Corporation, and as supplemented by the Collateral Agency, Account and Assignment Agreement, dated as of November 14, 2018, by and among the City, the Corporation, the Authority, the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency, and U.S. Bank National Association as collateral agent under the Collateral Agency Agreement and as Trustee under the Indenture, as such Agreement may from time to time be further amended or supplemented by all Supplements executed pursuant to the provisions thereof.

### **Certificate of Completion**

The term “Certificate of Completion” means, with respect to the 2018 Bonds, a Certificate of the City filed with the Trustee stating that the 2018 Components financed with the proceeds of the 2018 Bonds have been acquired, constructed, installed and improved and that all Acquisition Costs relating thereto have been paid or provided for.

### **Costs of Issuance Account**

The term “Costs of Issuance Account” means, with respect to the 2018 Bonds, the account by that name established under such Section 18.5 of this Sixth Supplement for the payment of Costs of Issuance with respect to the 2018 Bonds.

### **Principal Payment Date**

The term “Principal Payment Date” means, with respect to the 2018 Bonds, each August 1, commencing August 1, 2019, through and including August 1, 2047.

### **Underwriters**

The term “Underwriters” means, with respect to the 2018 Bonds, collectively, Merrill Lynch Pierce Fenner & Smith Incorporated, Citigroup Global Markets Inc., Hilltop Securities, UBS Financial Services Inc. and 280 Securities LLC.

(B) **In addition, the following terms shall have the following meanings, which terms are hereby added to Section 1.01 of the Original Indenture.**

### **2018 Bonds**

The term “2018 Bonds” means the Public Facilities Financing Authority of the City of San Diego Water Revenue Bonds, Series 2018A (Payable Solely From Installment Payments Secured by the Net System Revenues of the Water Utility Fund of the City of San Diego).

### **2018 Closing Date**

The term “2018 Closing Date” means January 3, 2019, the date of initial delivery of the 2018 Bonds.

## **2018 Components**

The term “2018 Components” means the Components of the Project specified in in Exhibit A to the 2018 Supplement, for which the City will be making 2018 Subordinated Installment Payments.

## **2018 Subordinated Installment Payments**

The term “2018 Subordinated Installment Payments” means those Installment Payments scheduled to be paid by the City under the 2018 Supplement.

## **2018 Supplement**

The term “2018 Supplement” means the 2018 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of December 1, 2018, by and between the City and the Corporation.

### **Section 2. Provisions Relating to the 2018 Bonds.**

The following new Article is hereby added to the Original Indenture:

## **ARTICLE XVIII**

### **ISSUANCE AND DELIVERY OF 2018 BONDS**

**Section 18.1. 2018 Bonds Authorized.** The Authority has reviewed all proceedings heretofore taken relative to the authorization of the 2018 Bonds and has found, as result of such review, and hereby finds and determines that, as of the date of issuance of the 2018 Bonds, all things, conditions, and acts required by law to exist, happen, and be performed precedent to and in the issuance of the 2018 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law, and the Authority is now authorized, pursuant to the provisions of the Bond Law and with respect to the 2018 Bonds Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State and each and every requirement of law, to issue the 2018 Bonds in the manner and form provided in the Indenture. Accordingly, the Authority hereby authorizes the issuance of the 2018 Bonds pursuant to the provisions of the Bond Law and the Original Indenture, as supplemented and amended by the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, and this Sixth Supplement.

The 2018 Bonds shall be entitled to the benefit, protection, and security of the provisions of the Original Indenture, as supplemented and amended by the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement and this Sixth Supplement.

**Section 18.2. 2018 Bonds under the Indenture.** The 2018 Bonds are issued subject to the terms of the Indenture and are secured by and payable from Subordinated Revenues in accordance with the terms of the Indenture. The 2018 Bonds shall constitute Subordinated Bonds.

**Section 18.3. Terms of 2018 Bonds.** Unless specifically set forth below, the terms and provisions of the Original Indenture and First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement and the Fifth Supplement shall apply equally to the 2018 Bonds.

(a) **Designation of 2018 Bonds.** The 2018 Bonds shall be designated the “Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Series 2018A

(Payable Solely from Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund),” and shall be issued in the original aggregate principal amount of \$243,180,000.

(b) *Maturity Schedule for 2018 Bonds.* The 2018 Bonds shall be dated their date of delivery, shall be issued only in fully registered form in Authorized Denominations of \$5,000 or any integral multiple thereof, and shall mature on the dates and in the principal amounts and shall bear interest at the rates set forth in the following schedule, with the first Interest Payment Date for the 2018 Bonds commencing on February 1, 2019:

<b><u>Maturity Date</u></b> <b><u>(August 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>
2019	\$ 3,815,000	5.00%
2020	4,010,000	5.00
2021	4,215,000	5.00
2022	4,435,000	5.00
2023	4,660,000	5.00
2024	4,900,000	5.00
2025	5,155,000	5.00
2026	5,415,000	5.00
2027	5,690,000	5.00
2028	5,985,000	5.00
2029	6,290,000	5.00
2030	6,615,000	5.00
2031	6,955,000	5.00
2032	7,310,000	5.00
2033	7,685,000	5.00
2034	8,080,000	5.00
2035	8,495,000	5.00
2036	8,930,000	5.00
2037	9,385,000	5.00
2038	9,865,000	5.00
2043	57,470,000	5.00
2047	57,820,000	5.25

(c) *Mandatory Sinking Fund Redemption.* The 2018 Bonds which mature on August 1, 2043, with sinking account payments payable on August 1 in each of the years, at a redemption price of par, plus interest accrued to the date fixed for redemption, in the principal amounts as follows:

**2018 Bonds Maturing on August 1, 2043**

<b><u>Sinking Fund</u></b> <b><u>Payment Dates</u></b> <b><u>(August 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>
2039	\$ 10,375,000
2040	10,905,000
2041	11,465,000
2042	12,055,000
2043*	12,670,000

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\* Stated Maturity.

The 2018 Bonds which mature on August 1, 2047, with sinking account payments payable on August 1 in each of the years, at a redemption price of par, plus interest accrued to the date fixed for redemption, in the principal amounts as follows:

**2018 Bonds Maturing on August 1, 2047**

<b>Sinking Fund Payment Dates (August 1)</b>	<b>Principal Amount</b>
2044	\$13,340,000
2045	14,055,000
2046	14,815,000
2047*	15,610,000

\* Stated Maturity.

(d) Optional Redemption of 2018 Bonds. The 2018 Bonds maturing on and after August 1, 2029, shall be subject to redemption, in whole or in part, at the option of the Authority (upon the direction of the City), on any date on or after August 1, 2028, from and to the extent of prepaid Series 2018 Subordinated Installment Payments paid pursuant to Section 5.01 of the 2018 Supplement, at a redemption price equal to the principal amount of 2018 Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

The 2018 Bonds which are Term Bonds shall be subject to mandatory redemption, on each date which a sinking account payment for such Term Bonds is payable from sinking account payments contemplated by Section 18.3(c), by lot, in an amount equal to such sinking account payments, plus accrued interest to the redemption date and without premium. At the option of the Authority, it may credit against any sinking account payment requirement Term Bonds or portions thereof which are of the same maturity as the Term Bonds subject to redemption and which, prior to said date, have been purchased, with funds other than moneys in a Sinking Account as hereinafter defined, at public or private sale or redeemed and cancelled by the Authority and not theretofore applied as a credit against any mandatory sinking account payment requirement.

(f) Selection for Redemption. If less than all of the outstanding 2018 Bonds are to be redeemed prior to maturity pursuant to Section 16.3(d), the Authority (at the direction of the City) shall select the specific maturity and interest rate (or maturities of bonds and interest rates) of 2018 Bonds, or portions thereof equal to \$5,000 or any integral multiple thereof, to be redeemed. If less than all of the 2018 Bonds of like maturity are to be redeemed, the Trustee will select the particular 2018 Bonds or portions of 2018 Bonds to be redeemed at random in such manner as the Trustee in its discretion may deem fair and appropriate.

(g) Effect of Redemption. If notice of redemption has been duly given as provided in Section 3.02(c) of the Indenture and money for the payment of the redemption price of the 2018 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice, the 2018 Bonds shall become due and payable, and from and after the date so designated, interest on the 2018 Bonds so called for redemption shall cease to accrue, and the Owners of such 2018 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. The insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. If said moneys are not so available on the redemption date, such 2018 Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. If there is



selected for redemption a portion of a 2018 Bond, the Authority will execute and the Trustee will authenticate and deliver, upon the surrender of such 2018 Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the 2018 Bond so surrendered, a 2018 Bond of like maturity and interest rate in any authorized denomination.

(h) Form of 2018 Bonds. The form of the 2018 Bonds shall be substantially as set forth in Exhibit A to this Sixth Supplement. Only those 2018 Bonds bearing thereon a certificate of authentication and registration in substantially the form set forth in Exhibit A to this Sixth Supplement, executed manually and dated by the Trustee, shall be entitled to any benefit, protection, or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the 2018 Bonds so authenticated and registered have been duly authorized, executed, issued, and delivered hereunder and are entitled to the benefit, protection, and security hereof.

(i) No Reserve Fund. The Series 2018 Bonds shall not be secured by any reserve fund.

**Section 18.4.** Execution and Delivery of 2018 Bonds. At any time after the execution and delivery of this Sixth Supplement, the Authority may sell and the Trustee shall authenticate and deliver, upon the Written Request of the Authority, the 2018 Bonds.

**Section 18.5.** Establishment of Costs of Issuance Account for the 2018 Bonds. The Trustee is directed to establish a special trust account to be designated the "City of San Diego Water System Improvement Project Costs of Issuance Account – 2018 Bonds."

**Section 18.6.** Establishment of Acquisition Fund for the 2018 Bonds. The Trustee is directed to establish a special trust fund to be designated the "City of San Diego Water System Improvement Project Acquisition Fund – 2018 Bonds."

**Section 18.7.** Application of Proceeds of 2018 Bonds and Other Amounts.

The net proceeds received from the sale of the 2018 Bonds, being the amount of \$280,353,555.16 (representing \$243,180,000.00 of aggregate principal amount, less \$339,096.64 of underwriters' discount, plus \$37,512,651.80 of original issue premium), shall be deposited in trust with the Trustee, who shall forthwith set aside or transfer such proceeds as follows:

(i) The Trustee shall deposit into that certain Costs of Issuance Account for the 2018 Bonds the amount of \$353,555.16;

(ii) The Trustee shall transfer \$205,889,000.00 to U.S. Bank National Association, as Issuing and Paying Agent for the Commercial Paper Notes to pay the principal of the Commercial Paper Notes; and

(iii) The Trustee shall transfer to the Acquisition Fund the amount of \$74,111,000.00.

The Trustee may, in its discretion, establish a temporary fund or account to account for and facilitate the foregoing deposits and transfers.

**Section 18.8.** Use of Moneys in Costs of Issuance Account for the 2018 Bonds. The Trustee shall disburse moneys from the Costs of Issuance Account for the 2018 Bonds to pay Costs of Issuance with respect to the 2018 Bonds. Such disbursements shall be made from time to time upon receipt of Requisitions of the City on behalf of the Authority substantially in the form attached as Exhibit B to this Sixth Supplement. On July 1, 2019, or upon the earlier written request of the City, the Trustee shall

transfer any then-remaining but uncommitted amount on deposit in the Costs of Issuance Account for the 2018 Bonds to the Subordinated Bonds Interest Account within the Subordinated Bonds Payment Fund, to be applied as a credit towards the next interest payment on the 2018 Bonds.

**Section 18.9. Use of Moneys in Acquisition Fund.** The Trustee shall disburse moneys from the Acquisition Fund for the 2018 Bonds to pay Project Costs with respect to the 2018 Bonds or, at the election of the City as set forth in a Requisition or Written Request of the City, transfer such moneys therefrom to the Interest Account to pay interest on the 2018 Bonds when and as the same shall become due and payable. Such disbursements shall be made from time to time upon receipt of Requisitions of the City on behalf of the Authority substantially in the form attached as Exhibit C to this Sixth Supplement. If, after payment of all Requisitions of the City on behalf of the Authority and delivery to the Trustee of a Certificate of Completion, there shall remain any balance of money in the Acquisition Fund, all money so remaining shall be transferred to the Subordinated Bonds Interest Account within the Subordinated Bonds Payment Fund, to be applied as a credit towards the next interest payment on the 2018 Bonds.

**Section 18.10. Acquisition of 2018 New Money Components; Completion Date.** The Authority hereby appoints the City as its agent for the acquisition and construction of the 2018 New Money Components with moneys on deposit in the Acquisition Fund. Upon the determination by the City that such acquisition and construction is complete, the City will so indicate by filing the Certificate of Completion with the Trustee.

**Section 18.11. Compliance with Tax Certificate.** The Authority covenants and agrees to comply with the terms of that certain Tax Certificate delivered on the 2018 Closing Date with respect to the 2018 Bonds, it being acknowledged and agreed that Bond Counsel will rely upon the same in delivering its opinion respecting the tax status of the 2018 Bonds.

**Section 18.12. Trustee's Compensation re 2018 Bonds.** The Authority shall pay to the Trustee a reasonable compensation for its services rendered hereunder and reimburse the Trustee for reasonable expenses, disbursements and advances, including attorney's and agent's fees and expenses, incurred by the Trustee in the performance of its obligations hereunder with respect to the 2018 Bonds.

**Section 3. Applicability of Original Indenture, First Supplement, Second Supplement, Third Supplement, Fourth Supplement and Fifth Supplement.** Except insofar as herein otherwise expressly provided, all the definitions, provisions, terms, and conditions of the Original Indenture, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement and the Fifth Supplement shall be deemed to be incorporated in and made a part of this Sixth Supplement. The Original Indenture, as supplemented and amended by the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement and this Sixth Supplement, is in all respects ratified, approved, and confirmed. The Original Indenture, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement and this Sixth Supplement shall hereafter be read, taken, and considered as one and the same instrument, and the parties agree to conform to and comply with all and singular the terms, provisions, covenants, and conditions set forth therein and herein.

**Section 4. Partial Invalidity.** If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants, or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof.

**Section 5. Articles and Section Headings and References.** The headings or titles of the several articles and sections hereof, and the table of contents hereto, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Sixth Supplement. All references herein to “Articles,” “Sections,” and other subdivisions or clauses are to the corresponding Articles, Sections, subdivisions, or clauses of the Original Indenture as supplemented and amended by the First Supplement, the Second Supplement, the Third Supplement and this Sixth Supplement as a whole. The words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder,” and other words of similar import refer to the Original Indenture as supplemented and amended by the First Supplement, the Second Supplement, the Third Supplement and this Sixth Supplement as a whole and not to any particular Article, Section, subdivision, or clause hereof.

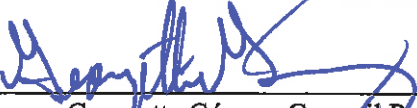
**Section 6. Execution in Several Counterparts.** This Sixth Supplement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

**Section 7. Governing Law.** This Sixth Supplement shall be governed by the laws of the State of California applicable to contracts made and performed in such State.

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IN WITNESS WHEREOF, the Authority and the Trustee have caused this Sixth Supplement to be executed by their duly authorized officers, all as of the date first above written.


**PUBLIC FACILITIES FINANCING  
AUTHORITY OF THE CITY OF SAN DIEGO**

By:   
Georgette Gómez, Council President  
Chair, Board of Commissioners

Attest:

By:   
Elizabeth Maland  
Secretary

APPROVED AS TO FORM:  
GENERAL COUNSEL TO THE AUTHORITY

By:   
Bret A. Bartolotta  
Deputy General Counsel

**U.S. BANK NATIONAL ASSOCIATION,  
AS SUCCESSOR TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Sixth Supplement to be executed by their duly authorized officers, all as of the date first above written.

**PUBLIC FACILITIES FINANCING  
AUTHORITY OF THE CITY OF SAN DIEGO**

By: \_\_\_\_\_  
Georgette Gómez, Council President  
Chair, Board of Commissioners

Attest:

By: \_\_\_\_\_  
Elizabeth Maland  
Secretary

APPROVED AS TO FORM:  
GENERAL COUNSEL TO THE AUTHORITY

By: \_\_\_\_\_  
Bret A. Bartolotta  
Deputy General Counsel

**U.S. BANK NATIONAL ASSOCIATION,  
AS SUCCESSOR TRUSTEE**

By: \_\_\_\_\_  
  
Authorized Officer

**EXHIBIT A**

**FORM OF 2018 BOND**

No. \_\_\_\_\_

**PUBLIC FACILITIES FINANCING AUTHORITY OF THE CITY OF SAN DIEGO  
SUBORDINATED WATER REVENUE BOND, SERIES 2018A  
(PAYABLE SOLELY FROM SUBORDINATED INSTALLMENT PAYMENTS SECURED BY  
NET SYSTEM REVENUES OF THE WATER UTILITY FUND)**

<b><u>INTEREST RATE</u></b>	<b><u>MATURITY DATE</u></b>	<b><u>DATED DATE</u></b>	<b><u>CUSIP</u></b>
_____ %	August 1, _____	_____, _____	_____

REGISTERED OWNER:        CEDE & CO.

PRINCIPAL AMOUNT:        \$ \_\_\_\_\_

The Public Facilities Financing Authority of the City of San Diego, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Subordinated Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period commencing after the fifteenth day of the month preceding an Interest Payment Date and ending on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before January 15, 2019, in which event it shall bear interest from the Dated Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each August 1 and February 1, commencing February 1, 2019 (each, an "Interest Payment Date"). The principal (or redemption price) hereof is payable upon presentment of this Bond at the corporate trust office of U.S. Bank National Association in Los Angeles, California (together with any successor trustee under the Indenture referred to below, the "Trustee"). Interest hereon is payable by check of the Trustee mailed on each Interest Payment Date to the Registered Owner as of the fifteenth (15th) day of the month preceding each Interest Payment Date at the address shown on the registration books maintained by the Trustee; provided however, that payment of interest will be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee before the fifteenth day of the month preceding the applicable Interest Payment Date.

It is hereby certified and recited that any and all things, conditions, and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by the provisions of the Bond Law and the laws of the State of California (the "State"), and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Subordinated Water Revenue Bonds, Series 2018A (Payable Solely from Subordinated Installment Payments Secured by Net System Revenues of the Water Utility Fund)” (the “Bonds”), in the aggregate principal amount of \$243,180,000 and is issued under and authorized pursuant to the provisions of the Bond Law, and issued pursuant to an Indenture, dated as of January 1, 2009, as supplemented by the First Supplemental Indenture, dated as of June 1, 2009, the Second Supplemental Indenture, dated as of June 1, 2010, the Third Supplemental Indenture, dated as of April 1, 2012, the Fourth Supplemental Indenture, dated as of June 1, 2016, the Fifth Supplemental Indenture dated as of January 1, 2017 and the Sixth Supplemental Indenture dated as of December 1, 2018 (collectively, the “Indenture”), each by and between the Authority and the Trustee. Capitalized terms used in this Bond and not defined herein shall have the meaning given those terms in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at said corporate trust office of the Trustee) and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties, and immunities of the Trustee, and of the rights and obligations of the Authority thereunder. The Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds have been issued by the Authority to aid in the financing of the acquisition, construction, installation, and improvement of certain facilities relating to the Water System of the City of San Diego (the “City”), to be sold to the City by the San Diego Facilities and Equipment Leasing Corporation (the “Corporation”) pursuant to an Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2009, as amended by the First Amendment to Amended and Restated Master Installment Purchase Agreement dated as of November 14, 2018, and as supplemented, including, without limitation, by the 2012A Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of April 1, 2012, the 2016 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of June 1, 2016, the 2017 Commercial Paper Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of January 1, 2017, and the 2018 Supplement to Amended and Restated Master Installment Purchase Agreement, dated as of December 1, 2018, each by and between the Corporation as seller and the City as purchaser, and as supplemented by the Collateral Agency, Account and Assignment Agreement, dated as of November 14, 2018, by and among the City, the Corporation, the Authority, the United States Environmental Protection Agency, acting by and through the Administrator of the Environmental Protection Agency, and U.S. Bank National Association as collateral agent under the Collateral Agency Agreement and as Trustee under the Indenture (as so amended and supplemented, the “Installment Purchase Agreement”).

The Bonds and the interest thereon are payable from Subordinated Revenues (as such term is defined in the Indenture), consisting primarily of Subordinated Installment Payments to be made by the City under the Installment Purchase Agreement and are secured by a pledge and assignment of said Subordinated Revenues and of amounts held in the Subordinated Bonds Payment Fund established pursuant to the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Bonds are special obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the aforesaid pledge and assignment.

The 2018 Bonds are subject to redemption as provided in the Sixth Supplement Indenture

The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said corporate trust office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Trustee has no obligation or liability to the Registered Owners to make payments of principal of or interest on the Bonds, except from amounts on deposit for such purposes with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Registered Owners the various funds and accounts established under the Indenture and, to the extent provided in the Indenture, to enforce the rights of the Authority under the Installment Purchase Agreement.

This Bond is transferable by the Registered Owner hereof, in person or by the Registered Owner's attorney duly authorized in writing, at said corporate trust office of the Trustee, but only in the manner, subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, of the same maturity and for the same aggregate principal amount, will be issued to the transferee in exchange herefor.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all outstanding Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) permit the creation by the Authority of any pledge of the Subordinated Revenues as provided in the Indenture superior to or on a parity with the pledge created thereby for the benefit of any Bond without the written consent of the Registered Owner thereof; (ii) modify any rights or obligations of the Trustee without its prior written assent thereto; or (iii) modify provisions respecting the time or amount of payments on any Bond, without the written consent of the Registered Owner thereof, all as more fully set forth in the Indenture.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes and the Authority and the Trustee shall not be affected by any notice to the contrary.

Neither the faith and credit nor the taxing power of the Authority, the City, the State of California, or any of its political subdivisions is pledged to the payment of the Bonds, which are special obligations of the Authority, payable solely from Subordinated Revenues. Neither the payment of the principal of this Bond or any part hereof nor any interest hereon constitutes a debt, liability, or obligation of the City, any officer of the Authority, or any person executing this Bond.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.



IN WITNESS WHEREOF, the Public Facilities Financing Authority of the City of San Diego has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Chair or Vice-Chair and attested to by the facsimile signature of its Secretary, all as of the Dated Date stated above.

PUBLIC FACILITIES FINANCING  
AUTHORITY OF THE CITY OF SAN DIEGO

By: \_\_\_\_\_  
Chair or Vice-Chair

Attest:

\_\_\_\_\_  
Secretary

### **TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture, which Bond has been authenticated and registered on the date set forth below.

Date of Authentication: \_\_\_\_\_

U.S. Bank National Association, as successor trustee

By: \_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto

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(Name, Address and Tax Identification or Social Security Number)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

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Note: Signature(s) must be guaranteed by a qualified guarantor.

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Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**EXHIBIT B**

**FORM OF REQUISITION REQUEST –  
COSTS OF ISSUANCE ACCOUNT**

**PAID DATE:** \_\_\_\_\_

**TO: U.S. Bank National Association  
Corporate Trust Department**

**RE: Public Facilities Financing Authority of the City of San Diego  
Subordinated Water Revenue Bonds, Series 2018A  
(Payable Solely from Subordinated Installment Payments  
Secured by Net System Revenues of the Water Utility Fund)**

**Costs of Issuance Account Requisition No. \_\_\_\_\_**

Pursuant to Section 18.8 of the Indenture, dated as of January 1, 2009 (the “Original Indenture”), as supplemented and amended (the “Indenture”), by and between the Public Facilities Financing Authority of the City of San Diego (the “Authority”) and U.S. Bank National Association (the “Trustee”), The City of San Diego (the “City”), on behalf of the Authority, instructs you to disburse from the Costs of Issuance Account for the 2018 Bonds established under the Indenture, for the payment of Costs of Issuance relating to the issuance of the Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Series 2018A (Payable Solely from Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund) in the sum(s) specified in Schedule I attached hereto, for payment made or due to the individuals, firms, or corporations whose names and addresses appear therein, for payment of the specified costs and specified purposes.

In respect to each payment, the City on behalf of the Authority certifies as of the date hereof that the obligations in the stated amounts have been properly incurred by the City on behalf of itself or the Authority and each item thereof is a proper charge against the 2018 Costs of Issuance Account and has not been the basis of a previous disbursement. The nature of each obligation is specified in reasonable detail and a bill or statement of account for each obligation accompanies this Requisition.

Capitalized terms used in this Requisition, and not otherwise defined, shall have the meanings attributable to them in the Indenture.

**THE CITY OF SAN DIEGO**

Dated: \_\_\_\_\_

Requested by: \_\_\_\_\_  
Authorized Officer – Debt Management Department

Dated: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Authorized Officer – Department of Finance

**REQUISITION SCHEDULE I**

**PURPOSE**

**PAYEE**

**AMOUNT**

**EXHIBIT C**

**FORM OF REQUISITION REQUEST –  
ACQUISITION FUND**

**PAID DATE:** \_\_\_\_\_

**TO: U.S. Bank National Association  
Corporate Trust Department**

**RE: Public Facilities Financing Authority of the City of San Diego  
Subordinated Water Revenue Bonds, Series 2018A  
(Payable Solely from Subordinated Installment Payments  
Secured by Net System Revenues of the Water Utility Fund)**

**Acquisition Fund Requisition No. \_\_\_\_**

Pursuant to Section 18.9 of the Indenture, dated as of January 1, 2009 (the "Original Indenture"), as supplemented and amended (the "Indenture"), by and between the Public Facilities Financing Authority of the City of San Diego (the "Authority") and U.S. Bank National Association (the "Trustee"), The City of San Diego (the "City"), on behalf of the Authority, instructs you to disburse from the Acquisition Fund for the 2018 Bonds established under the Indenture, for the payment of Project Costs relating to the 2018 Components financed with proceeds of the Public Facilities Financing Authority of the City of San Diego Subordinated Water Revenue Bonds, Series 2018A (Payable Solely from Subordinated Installment Payments Secured By Net System Revenues of the Water Utility Fund) in the sum(s) specified below, for payment made or due to the individuals, firms or corporations whose names and addresses appear therein, for payment of the specified costs and specified purposes.

**Payee**

**Purpose**

**Amount**

**Total Requisition:** \$ \_\_\_\_\_

In respect to each payment, the City on behalf of the Authority certifies as of the date hereof that the obligations in the stated amounts have been properly incurred by the City on behalf of itself or the Authority and each item thereof is a proper charge against the Acquisition Fund and has not been the basis of a previous disbursement the nature of each obligation is specified in reasonable detail and a bill or statement of account for each obligation accompanies this Requisition.

Capitalized terms used in this Requisition, and not otherwise defined, shall have the meanings attributable to them in the Indenture.

**THE CITY OF SAN DIEGO**

Dated: \_\_\_\_\_

Requested by: \_\_\_\_\_  
Authorized Officer – Public Utilities Department

Dated: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Authorized Officer – Department of Finance



**EXHIBIT D**

**Trustee/Escrow Agent Fee Schedule**

[See attached Schedule of Fees]



**U.S. Bank National Association  
Global Corporate Trust Services  
Schedule of Fees for Services as  
Trustee, Registrar, Paying Agent  
City of San Diego Water Revenue Bonds, Series 2018A**

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**Acceptance Fee:** **\$500.00**  
The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time fee, payable at closing.

**Bond Trustee Annual Administration Fee:** **\$1,200.00**  
Annual administration fee (per issue) for performance of the routine duties as Bond Trustee associated with the administration of each indenture. Administration fees are payable in advance for each year or portion thereof.

**Investment Trades, per trade** **\$50.00**

**Legal counsel** **\$2,000.00**  
Includes fees and expenses of legal counsel as well as the rendering of a standard legal opinion, if required

**Direct Out of Pocket Expenses:**  
Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after initial close, travel expenses and filing fees (if any) would be billable at cost.

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event our transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

Extraordinary fees are payable to the Trustee or Agent for duties or responsibilities not expected to be incurred at the outset of the transaction, not routine or customary, and not incurred in the ordinary course of Business. Payment of extraordinary fees is appropriate where particular inquiries, events or developments are unexpected, even if the possibility of such things could have been identified at the inception of the transaction.

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.